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**EYES ONLY**

31 August 1959

MEMORANDUM FOR: Acting Chief, Development Projects Division

SUBJECT : Handling of Development Projects with <sup>in</sup>DPD

1. I am sending you separately a memorandum on the present status of DPD's FY-1960 budget indicating specifically what actions and obligations of funds are now authorized and which ones will require further approval before being authorized. In this connection I want to raise one other matter with you which has to do not with the budget as such but with the supervisory responsibility for development work performed for DPD.

4. Whether this is a good or bad arrangement, I would like to say that it is at variance with the concept I have had for sometime of DPD organization. I make this point not to insist that my concept should be adhered to but at least to define it as a point of departure. In a sentence, the concept has been that development and major procurement would be the responsibility of the Development Section working closely with the Contract Section. This concept was more clearly expressed on the organization chart in the days when [redacted] had the title Director of Development and Procurement and was in charge of both Sections. Historically only minor procurement was undertaken by the

~~CONFIDENTIAL~~

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- 2 -

25X1 Materiel Section and the only development work with which Operations concerned itself was in the field of personal equipment. Although I am entirely happy about turning [ ] former responsibilities over to two independent Sections, Development and Contracts, I do not want to see portions of these responsibilities parceled out further to Operations and Materiel without careful consideration leading to an explicit decision. As a contribution to such consideration I will express my views on certain elements of the problem.

25X1 5. Our Materiel Section was originally established to supervise the [ ] and to ensure the maintenance of an efficient supply line to the Detachments for spares and all other items not normally obtained from base supply. The Section has gradually (and properly in my view) taken more initiative and assumed more responsibility in the whole field of maintenance and minor modification of equipment, periodic overhaul, and the like. I believe the gravest deficiency in this Section (largely unavoidable by reason of the circumstances under which CHALICE was initiated) was the weakness of the records of delivery of spares and of major subsystems in the first year of the program. At no time (at least until very recently) has our Materiel Section played an important role in deciding what major systems should be procured, from what sources, or through what procurement channels. My own feeling is that the Materiel Section's functions should remain substantially what they have been. I feel that in the Development and Contract Sections we have the best talent we have to bring to bear on questions of procurement policy as well as on the selection and design of what is to be procured.

6. This leaves open the question of what role, if any, Operations should play in the development business. Historically CHALICE Operations has played no role (except with respect to personal equipment as noted above). On the other hand the Air Section has always had a considerable responsibility in this field in part because it was too small ever to be broken down internally into separate offices for operations and development. However, I am inclined to think it is better organization to limit an Operations Section to the functions implied by its name. These will include some concern with flight testing and with the development of operational procedures in connection with new equipment. Also, without falling into the pattern of writing formal requirements, Operations Officers should be encouraged to make suggestions looking toward any and all kinds of new development. If we have in Operations an Officer who would

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

really be better occupied and more interested in development work, I suggest that he be moved over to the Development Section. Ideally, the number of Officers in Operations should be held down to the minimum required for Operations duties; if there is much excess capacity in the Section some saving in personnel would appear to be indicated.

7. The above views are not intended to imply that I have completely made up my mind on this matter. I will, however, take a little persuading before agreeing to what I would regard as a change in distribution of responsibilities from the past pattern.

<sup>15/</sup>  
RICHARD M. BISSELL, JR.  
Deputy Director  
(Plans)

DD/P:RMB:djm  
1-DD/P Chrono.

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